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THE WHITE HOUSE
WASHINGTON

December 12, 1977

MEMORANDUM FOR:

The Secretary of State
The Secretary of the Treasury
The Secretary of Defense
The Attorney General
The Secretary of Commerce
The Secretary of Labor
The Secretary of Health, Education, and Welfare
The Director, Office of Management and Budget
The Assistant to the President for National
Security Affairs
The Administrator, General Services Administration
The Counsel to the President
The Special Assistant to the President for
Consumer Affairs

FROM:

Stuart E. Eizenstat *Stu*

SUBJECT:

Issue Definition Memorandum: Interagency
Review of Privacy Policy

Purpose of Study

The President has directed that the issue of privacy be studied through the new Domestic Policy Review System. A Coordinating Committee will analyze and provide options concerning the recommendations of the Privacy Protection Study Commission, pending legislative proposals, and related privacy issues. The Committee will be co-chaired by the Secretary of Commerce and myself and will consist of the addressees.

Issues this study should address include:

- the threat to privacy posed by advances in computing and electronic communications and the potential for technology to provide solutions;
- how to limit the collection, use, and distribution of information about individuals;
- how to assure that records about individuals are accurate and relevant;
- how to afford individuals sufficient access to records about themselves and opportunity to correct those records;

--how to assure the privacy of the mails and other communications systems;

--the role of the Federal Government in regulating non-Federal information systems and in providing information services to non-Federal users.

Structure of Study

The study will be divided into six areas (some of which are inter-related.) The lead agencies for each area will analyze the relevant Privacy Commission recommendations and other proposals and will identify action options, with their pros and cons. The lead agencies will work closely with all other affected agencies and will reflect those agencies' views in the reports. They will also consult with the Congress and interested members of the public.

1. Collection and Management of Federal Records (Lead Agencies: OMB and Commerce)

Despite improvements resulting from the Privacy Act of 1974, the Government may be collecting too many records, and its collection and management procedures may inadequately protect individuals' privacy. In addition, a policy is needed on the distribution of such information, and the adequacy of the Executive Branch's privacy oversight procedures should be evaluated. Changes in the Privacy Act and other legislative and administrative options should be studied.

2. Federal Agency Access to Information About Individuals (Lead Agencies: Counsel to the President and Justice)

Extensive personal information is contained in records held by Federal, state, and local governments; banks and other financial institutions; medical care providers; insurance companies; telecommunications companies; and others. Guidelines are needed to resolve the conflict between privacy and Federal agencies' needs for such information to support law enforcement, regulatory oversight, compliance monitoring, personnel investigations, and related matters. In addition, the adequacy of existing controls on Federal agencies' access to the mails and telecommunications systems should be reviewed.

3. Privacy Safeguards for Health, Education, and Social Service and Public Assistance Records (Lead Agency: HEW)

This study should consider the need for improved controls on the collection, content, use, and distribution of such records. It should take into account the distinction between records held by Federally-supported activities and other records. In

addition, it should consider the need for privacy safeguards on records held by other Federally-supported activities, such as research and statistical records.

4. State and Private Records and Communications (Lead Agencies: Special Assistant to the President for Consumer Affairs and Commerce)

The desirability of Federal regulation of state and local government records and of private sector records, including banking, consumer credit, mailing lists, and insurance records, should be studied. Consideration should be given to the compatibility of Federal record keeping practices with those of state and local governments which are interconnected with the Federal systems. The privacy of electronic funds transfer systems and private sector computerized records and communications systems should also be evaluated. This study should avoid duplication of the areas covered in #3.

5. Private Sector Personnel and Employment Records (Lead Agency: Labor)

The desirability of extending privacy safeguards to these records should be evaluated. Consideration should be given to whether such safeguards should be mandatory or voluntary.

6. International Information Issues (Lead Agency: State)

The international implications of proposed U.S. legislation on privacy and of foreign privacy legislation will be studied by the Task Force on Information, Computer, and Communication Policy, chaired by the Department of State. This Task Force shall examine pending legislation in key foreign countries and provide continuing review of developing U.S. legislative proposals resulting from the work of the domestic privacy review, with a view to harmonizing legislation and extending the protection of national laws to data residing in other countries. The results will be included in the domestic study as appropriate.

Schedule

First Meeting of Coordinating Committee
and Other Affected Agencies: December 19

Lead Agencies' Response Memoranda Due: March 31

Final Decision Memorandum for the
President Due: May 31

Some issues may have to be dealt with at a more rapid pace to meet Congressional schedules; the lead agencies should identify any such issues by December 19. The international unit may move on a different schedule. Any national defense or foreign policy issues raised by the study shall be handled through the National Security Council.

cc: The Secretary of the Interior
The Secretary of Agriculture
The Secretary of Housing and Urban Development
The Secretary of Transportation
The Secretary of Energy
The Director, Office of Science and Technology Policy
The Director of Central Intelligence
The Administrator, Veterans Administration
The Chairman, Civil Service Commission
The Chairman, Federal Trade Commission
The Chairman, Federal Reserve System Board of Governors
The Chairman, Federal Communications Commission
The Chairman, Commission on Civil Rights
The Postmaster General

TO PRIVACY COORDINATING COMMITTEE MEMBERS AND OTHER
AFFECTED AGENCIES:

The first meeting of the Privacy Coordinating Committee will be December 19 at 11:30 a.m. in the Roosevelt Room in the West Wing of the White House. Stu Eizenstat will chair this meeting, which will discuss the study's objectives and procedures. Because of space limitations, agencies on the Coordinating Committee are requested to send no more than two representatives and other agencies no more than one.

Please call Ann McGlinn at 456-2647 with the name of the person who will have principal responsibility for the privacy study in your agency and the name of anyone else who will be attending so she can clear them in.